

# South Dakota Health Care Solutions Coalition



# **Medicaid Today**

- Medicaid covers approximately 119,000 South Dakotans
  - 35% are American Indians who are also eligible for services from IHS
- People can be eligible for IHS AND also Medicaid eligible
  - When an American Indian is Medicaid eligible and gets services "through" an IHS
    Facility, IHS bills Medicaid, and the federal government pays 100% (100% FMAP)
  - When an American Indian is Medicaid eligible and gets services outside IHS, the non-IHS provider bills Medicaid and the federal government pays about 55%, and the state pays the balance



# **Medicaid Today**

- When services are not "received through" IHS, the state has to pay for services that are supposed to be provided by the federal government
  - Significant amount of state general funds spent in Medicaid budget
  - \$96 million in state funds in FY17



- Formed in late 2015 to develop strategies to improve health outcomes and 100% federal funded health care access for individuals eligible for Medicaid and IHS, in anticipation of federal Medicaid funding policy change
- Group includes legislators, tribes, IHS, providers, governor's office and state agency staff
- Chaired by Jerilyn Church, Great Plains Tribal Chairman's Health Board and Kim Malsam-Rysdon, Senior Advisor to the Governor/Secretary of Health
- 9 participants representing the following tribes:
  - Cheyenne River Sioux Tribe
  - Flandreau Santee Sioux Tribe
  - Oglala Sioux Tribe
  - Rosebud Sioux Tribe
  - Sisseton Wahpeton Oyate



Timeline of Key Events:

#### January, 2016

- Coalition determined federal policy change, if enacted, would free up enough existing state funds to pay for Medicaid expansion
- Coalition recommends additional substance abuse, mental health, prenatal care, and telehealth services

#### February, 2016

- Federal government changed Medicaid funding policy on February 26 to allow more service to be funded at 100% FMAP- expanded the "received through" interpretation
  - Requires individual to be confirmed "patient" of IHS; IHS and non-IHS providers must have care coordination agreements and share medical records
  - Providers, including IHS, need to make changes and need incentive to implement the policy
  - Too late in state legislative session to proceed with Medicaid expansion



Timeline of Key Events:

#### November, 2016

- Change in federal administration, expectation of Obamacare repeal and federal Medicaid reform
- Decision to not move forward with Medicaid expansion based on lack of federal and state legislative support

#### January, 2017

Coalition changed focus to implement federal policy change without incentive of Medicaid expansion



Timeline of Key Events:

#### May, 2017- October, 2017

- Coalition recommends implementation of federal 100% FMAP policy for services that start at IHS and are referred to another provider- "referred care"
- Revisited prior recommendations of the Coalition to evaluate progress on access to services and where funding is needed to implement recommendations
  - Targeting \$6.7 million state funds spent on referred care for 6 largest providers
    - FY19- \$4.6 million
    - FY20- \$6.7 million

#### November, 2017

Care coordination agreements signed between 3 large hospital systems and IHS; working three additional provider agreements



- With savings in existing budget:
- 1. Fund recommendations to increase access to key services in Medicaid
  - a. Fund substance abuse services for an estimated 1,900 adults on Medicaid
  - b. Add mental health providers to Medicaid increasing access to 465 people
  - c. Develop community health worker services with capacity to serve 1,500
  - d. Fund innovative prenatal and primary care
- 2. After services are funded, share % of additional savings with participating providers
  - a. Tiered sharing based on amount saved:

i. Up to \$500kii. \$500k-\$1miii. Over \$1m5% shared savings15% shared savings

- 3. After sharing savings with participating providers, use remaining savings to increase Medicaid provider rates
  - a. Priority for community based providers with rates less than 90% of costs
    - i. Includes assisted living, home care, nursing, group care services for youth



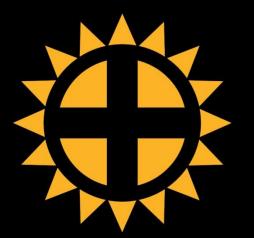
Strategy	FY19- Partial implementation	FY20- Full implementation
Add Substance Abuse Services	\$872k	\$872k
Add Mental Health Providers	\$265k	\$540k
Add Community Health Workers	\$100k	\$400k
Innovation Grants-Prenatal and Primary Care		\$1m
Shared Savings with Providers	\$630k	\$800k
Provider Rates	\$2.7m	\$3.1m
Total	\$4.6m	\$6.7m



- Next Steps:
  - Seek legislative support to add behavioral health services to Medicaid and invest in Medicaid rates for providers
  - Determine additional ways to implement 100% FMAP policy in future and reinvest in Medicaid
    - Care coordination agreements with additional providers
    - Use policy for additional services



# **THANK YOU!**



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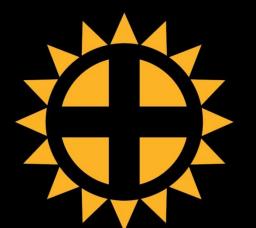












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